

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicant: Michael Carlson Attorney Docket No. PANG-1-1002  
Serial No.: 10/068,106 Group Art Unit: 3621  
Filing Date: February 6, 2002 Examiner: Agwumezie, Charles C.  
Title: ELECTRONIC VERIFICATION SYSTEM AND METHOD

RESPONSE TO THE MAY 12, 2005 OFFICE ACTION  
TO THE COMMISSIONER OF PATENTS:

**AMENDMENT AND RESPONSE**

**Amendments to the claims** begin on page 2.

**Remarks** begin on page 6.

1. (Original) A computer based verification method comprising:
  - storing a buyer account number and account data on a buyer system;
  - storing a seller account number and account data on a seller system;
  - determining a transaction amount;
  - determining a transaction time;
  - generating a first set of sample data from the data stored on the buyer system based on the determined transaction time and the account numbers associated with the account data previously stored on the buyer and seller systems;
  - generating a second set of sample data from the data previously stored on the seller system based on the determined transaction time and the account numbers associated with the account data previously stored on the buyer and seller systems;
  - comparing at least a portion of the generated first set of sample data to at least a portion of the second set of sample data;
  - sending the generated sample data to an administrator system, if the comparison is positive;
  - comparing unique data included in the first set of sample data to unique data previously stored at the administrator system that is associated with the buyer account number;
  - comparing unique data included in the second set of sample data to unique data previously stored at the administrator system that is associated with the seller account number; and
  - completing the transaction, if the unique data comparisons are positive.
2. (Original) The method of Claim 1, wherein the generated first and second set of sample data is further generated based on the transaction amount.
3. (Original) The method of Claim 1, wherein the seller system is in communication with the administrator system over a network.
4. (Original) The method of Claim 1, wherein the seller system is in communication with the buyer system over a network.
5. (Original) The method of Claim 1, wherein the account data at the buyer and seller systems comprise common data and unique data stored in a plurality of matrices, wherein the matrices are stored according to time.

6. (Original) The method of Claim 5, wherein the unique data is unique to the associated account number.

7. (Original) The method of Claim 5, wherein the common data is commonly addressable to all buyer and seller account numbers in a series.

8. (Original) The method of Claim 7, wherein each matrix has a unique matrix orientation.

9. (Original) The method of Claim 8, wherein each matrix comprises an unscramble key.

10. (Original) The method of Claim 9, wherein generating the first set of sample data comprises retrieving a matrix based on the determined transaction time, generating a base matrix from the retrieved matrix based on the unscramble key associated with the retrieved matrix, generating a scramble matrix based on a product of the buyer and seller account numbers, and producing the sample by retrieving one or more row or columns from the generated scramble matrix.

11. (Original) The method of Claim 10, wherein generating the second set of sample data comprises retrieving a matrix based on the determined transaction time, generating a base matrix from the retrieved matrix based on the unscramble key associated with the retrieved matrix, generating a scramble matrix based on a product of the buyer and seller account numbers, and producing the sample by retrieving one or more row or columns from the generated scramble matrix.

12. (Original) A computer based verification system comprising:
- a buyer system for storing a buyer account number and account data;
  - a seller system in communication with the buyer system for storing a seller account number and account data; and
  - an administrator system in communication over a network with at least one of the buyer or seller system,
- wherein at least one of the buyer or seller system comprises:
- a first component for determining a transaction amount;
  - a second component for determining a transaction time;
  - a third component for generating a first set of sample data from the data stored on the buyer system based on the determined transaction time and the

- account numbers associated with the account data previously stored on the buyer and seller systems;
  - a fourth component for generating a second set of sample data from the data previously stored on the seller system based on the determined transaction time and the account numbers associated with the account data previously stored on the buyer and seller systems;
  - a fifth component for comparing at least a portion of the generated first set of sample data to the second set of sample data;
  - a sixth component for sending the generated sample data to an administrator system, if the comparison is positive,
- wherein the administrator system comprises:
- a first component for comparing unique data included in the first set of sample data to unique data previously stored at the administrator system that is associated with the buyer account number;
  - a second component for comparing unique data included in the second set of sample data to unique data previously stored at the administrator system that is associated with the seller account number; and
  - a third component for completing the transaction, if the unique data comparisons are positive.

13. (Original) The system of Claim 12, wherein third and fourth sample generating components generate the sample data based on the transaction amount.

14. (Original) The system of Claim 12, wherein the account data at the buyer and seller systems comprise common data and unique data stored in a plurality of matrices, wherein the matrices are stored according to time.

15. (Original) The system of Claim 14, wherein the unique data is unique to the associated account number.

16. (Original) The system of Claim 14, wherein the common data is commonly addressable to all buyer and seller account numbers in a series.

17. (Original) The system of Claim 16, wherein each matrix has a unique matrix orientation.

18. (Original) The system of Claim 17, wherein each matrix comprises an unscramble key.

19. (Original) The system of Claim 18, wherein the third sample generating component retrieves a matrix based on the determined transaction time, generates a base matrix from the retrieved matrix based on the unscramble key associated with the retrieved matrix, generates a scramble matrix based on a product of the buyer and seller account numbers, and produces the sample by retrieving one or more row or column from the generated scramble matrix.

20. (Original) The system of Claim 19, wherein the fourth sample generating component retrieves a matrix based on the determined transaction time, generates a base matrix from the retrieved matrix based on the unscramble key associated with the retrieved matrix, generates a scramble matrix based on a product of the buyer and seller account numbers, and produces the sample by retrieving one or more row or column from the generated scramble matrix.

21. (New) A computer-based verification method comprising:
- providing first account data storable on a buyer system;
  - providing second account data storable on a seller system;
  - providing to the buyer system a first set of computer-executable instructions enabling the buyer system to generate a first set of sample data from the first data;
  - providing to the seller system a second set of computer-executable instructions enabling the seller system to generate a second set of sample data from the second data;
  - comparing unique data included in the first set of sample data to unique data previously stored at an administrator system and associated with the buyer system;
  - comparing unique data included in the second set of sample data to unique data previously stored at the administrator system and associated with the seller system; and
  - completing a transaction between the buyer system and seller system, if the unique-data comparisons are positive.

## REMARKS

Claims 1-20 are pending in the application and stand rejected. New claim 21 has been added to the application.

### **Rejection of Claims 1-20 Under 35 U.S.C. 103(a)**

#### **Claim 1**

Claim 1 recites, in pertinent part, storing a seller account number and account data on a seller system and generating a set of sample data from the data previously stored on the seller system.

For example, referring, *e.g.*, to FIGS. 1 and 2A, page 2, line 35 to page 3, line 1, and page 4, lines 1-2, an administrator system 26 creates multiple sets of unique account data (UAD) that are sent to buyer and seller systems 22 and 24 before a transaction occurs between a buyer and seller. One set of UAD is sent to the buyer system 22 and another set of UAD is sent to the seller system 24. Application programs located on the buyer and seller system 22 and 24 take a sample of the respective UADs.

In contrast, Franklin fails to teach or suggest storing a seller account number and account data on a seller system and generating a set of sample data from the data previously stored on the seller system. Franklin, at, *e.g.*, col. 2, lines 1-46, teaches a system and method for facilitating online commerce over a public network using an online commerce card. The "card" of this system does not exist in physical form, but instead exists in a digital form that can be electronically realized for online commerce. The online commerce card is issued electronically to a customer (buyer system) by an issuing institution, such as a bank or third party certifying authority. The issued card is assigned a permanent customer account number that is maintained on behalf of the customer by the issuing institution. The N-digit customer account number includes digits for a prefix number for bank-handling information, digits for a customer identification number, digits reserved for an embedded code number, and a digit for a check sum. The customer account number and a private key unique to the customer are issued to the customer. The issuing bank also supplies a software module used to create the embedded code number for each online commerce transaction.

When the customer desires to conduct an online transaction, the customer invokes the software module and enters a "weak" password, PIN (personal identification number), or pass phrase to obtain access to the module. If the password is proper, the customer computer retrieves the private key and customer account number from storage. The customer computer then generates a code number as a function of the private key, customer-specific data and transaction-specific data. The customer computer embeds the code number in the digits reserved in the customer account number to effectively create a temporary transaction number that is specific to one transaction. The customer submits that transaction number to a merchant (seller system) as a proxy for the customer account number during the transaction. The merchant handles the proxy transaction number according to traditional protocols, including seeking authorization from the issuing institution to honor the card number.

In no manner, however, does Franklin teach or suggest that a seller account number and account data are stored by the merchant or that a set of sample data is generated from data previously stored by the merchant. In fact, Franklin, at col. 3, lines 9-11, teaches that "[t]he merchant does not need to implement any new devices, software, or protocols to participate in the new online commerce system."

Likewise, Lapsley fails to teach or suggest (nor does the Examiner allege that Lapsley teaches or suggests) storing a seller account number and account data on a seller system and generating a set of sample data from the data previously stored on the seller system. In addition, none of the other references cited by the Examiner teaches or suggests (nor does the Examiner allege that such references teach or suggest) storing a seller account number and account data on a seller system and generating a set of sample data from the data previously stored on the seller system.

### **Claim 12**

Claim 12 is patentable for reasons similar to those discussed above with reference to claim 1.

**Claims 2-11 and 13-20**

Claims 2-11 and 13-20 are patentable by virtue of their respective dependencies from claims 1 and 12.

If the Examiner disagrees with the Applicant's positions as stated in this paper, the Examiner is respectfully requested to contact the undersigned to arrange a telephone conference prior to issuing an Office action rejecting any of the pending claims.

Respectfully submitted,

BLACK LOWE & GRAHAM<sup>PLLC</sup>

A handwritten signature in black ink, appearing to read 'P.G. Scott Born', with a stylized, cursive script.

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